

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
BOARD GOVERNANCE COMMITTEE

ROBERT F. CARLSON AUDITORIUM
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

MONDAY, DECEMBER 18, 2017
3:29 P.M.

JAMES F. PETERS, CSR
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A P P E A R A N C E S

COMMITTEE MEMBERS:

Ms. Theresa Taylor, Chairperson

Ms. Priya Mathur, Vice Chairperson

Mr. Michael Bilbrey

Mr. Rob Feckner

Ms. Dana Hollinger

Mr. Henry Jones

Mr. Bill Slaton

BOARD MEMBERS:

Mr. John Chiang, represented by Mr. Matthew Saha

Mr. Richard Costigan

Mr. Richard Gillihan, represented by Mr. Ralph Cobb

Mr. Ron Lind

Ms. Betty Yee, represented by Mr. Alan Lofaso

STAFF:

Ms. Marcie Frost, Chief Executive Officer

Mr. Matt Jacobs, General Counsel

Ms. Kristen Garner, Committee Secretary

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1 P R O C E E D I N G S

2 CHAIRPERSON TAYLOR: I'm going to call the
3 meeting to order. And first order of business can we call
4 the roll.

5 COMMITTEE SECRETARY GARNER: Theresa Taylor?

6 CHAIRPERSON TAYLOR: Here.

7 COMMITTEE SECRETARY GARNER: Priya Mathur?

8 VICE CHAIRPERSON MATHUR: Here.

9 COMMITTEE SECRETARY GARNER: Michael Bilbrey?

10 COMMITTEE MEMBER BILBREY: Here.

11 COMMITTEE SECRETARY GARNER: Rob Feckner?

12 COMMITTEE MEMBER FECKNER: Still here.

13 COMMITTEE SECRETARY GARNER: Dana Hollinger?

14 Henry Jones?

15 Bill Slaton?

16 COMMITTEE MEMBER SLATON: Here.

17 VICE CHAIRPERSON MATHUR: We have a quorum.

18 CHAIRPERSON TAYLOR: Do we -- yeah, we have a
19 quorum.

20 I see Henry coming up right now.

21 So first we have out consent items. I need a
22 motion.

23 VICE CHAIRPERSON MATHUR: Executive report.

24 CHAIRPERSON TAYLOR: I'm sorry. I was going to
25 do what Henry did.

1 Can I have the Executive Report?

2 GENERAL COUNSEL JACOBS: You can. It won't take
3 too long. We've got two substantive items on the agenda
4 this afternoon. One is the schedule of Board meetings for
5 2018. And the other one is the suggestion of Lorenzo
6 Cuesta at the last offsite about several meeting
7 procedures that we might want to consider. That is Item
8 7.

9 And then we've got a informational item the
10 education program. And that's what's -- those are the
11 highlights.

12 CHAIRPERSON TAYLOR: Those are the highlights.
13 Thank you very much, Mr. Jacobs

14 Can we note that Dana Hollinger and Mr. Jones are
15 also here right now.

16 And consent items, can I get a motion, please,
17 number 3?

18 COMMITTEE MEMBER BILBREY: Move it.

19 VICE CHAIRPERSON MATHUR: Second.

20 CHAIRPERSON TAYLOR: Okay. Mr. Bilbrey moved
21 approval, Ms. Mathur seconded.

22 All those in favor?

23 (Ayes.)

24 CHAIRPERSON TAYLOR: All those opposed?

25 All right. Motion carries.

1 Consent items, annual calendar, I didn't have
2 anybody want to pull anything out, so we're just going to
3 go ahead.

4 Board schedule meeting, number 5, for 2018.

5 GENERAL COUNSEL JACOBS: Yes, as stated in the
6 agenda item, Chair Taylor, the issue is really down to
7 whether to hold October of 2018 open, that is not schedule
8 board meetings -- Board and Committee meetings at this
9 time. As mentioned in the agenda item, the team had come
10 together and tried to figure out were there any other
11 candidates for not having -- any months for not having
12 potentially meetings, and we really couldn't find anything
13 that made any sense at all, given the commitment in March
14 of 2018 to devote a substantial amount of the time to ESG
15 matters. So we're really, as I say, just down to October,
16 and that's for the Committee to debate.

17 CHAIRPERSON TAYLOR: Okay.

18 GENERAL COUNSEL JACOBS: Discuss and debate.

19 CHAIRPERSON TAYLOR: Okay. Great.

20 Ms. Mathur.

21 VICE CHAIRPERSON MATHUR: I guess I have a
22 question about this, because again this year we found
23 ourselves with very long meetings, similar to how the
24 experience last year. Of course, this year we had the ALM
25 workshop, and that was unusual, not a regular annual

1 event. But I guess I would turn the question back around
2 to the team, whether you think avoiding an October meeting
3 is worth having sig -- would appear, you know,
4 significantly longer November meetings, and -- yeah.

5 GENERAL COUNSEL JACOBS: I think I can speak
6 fairly or entirely unanimously for the team, that yes, we
7 would see foregoing October as being worth the extra time
8 that is required to go in November. Hopefully that was an
9 anomaly.

10 VICE CHAIRPERSON MATHUR: Hopefully.

11 GENERAL COUNSEL JACOBS: You know, there's --
12 it's happened twice in a row, so it's hard to say it's an
13 anomaly, but I think that that would be the preference of
14 the team, part of that being, as you know, that the --
15 we've got the October Ed Forum, which requires a
16 significant amount of work of the team to put that
17 together. So that would be our take if anybody disagrees,
18 they can come up here and speak up.

19 VICE CHAIRPERSON MATHUR: That was my suspicion,
20 but I just -- I did want to just ask to get your sense. I
21 guess I feel like we could maybe do a better job this year
22 of scheduling August and September -- items in August and
23 September that -- so that -- to balance things out a
24 little bit more and relieve the pressure on November.

25 So I guess I would want us to take one more crack

1 at really trying that. And I don't know if this requires
2 a motion. I guess it does. So I would propose then that
3 we adopt a calendar that continues to exclude October --
4 that that excludes October 2018.

5 COMMITTEE MEMBER JONES: Second.

6 CHAIRPERSON TAYLOR: Okay. It was moved by Ms.
7 Mathur and seconded by Mr. Jones that we adopt a calendar
8 that excludes October.

9 All those in favor?

10 (Ayes.)

11 CHAIRPERSON TAYLOR: All those opposed?

12 Oh, I'm sorry. I do have people to talk.

13 But Henry -- Mr. Jones.

14 COMMITTEE MEMBER JONES: No, that's okay. I was
15 going to move this.

16 CHAIRPERSON TAYLOR: Well, there you go.

17 Mr. Slaton.

18 Hold on wait.

19 There you go.

20 COMMITTEE MEMBER SLATON: No, I think I can --
21 since I can read the tea leaves of the Committee, I think
22 I'll just pass on discussing it.

23 Thank you.

24 CHAIRPERSON TAYLOR: Okay. And Mr. Feckner.

25 COMMITTEE MEMBER FECKNER: Yeah. You know, I'll

1 support the motion now. I'm not sure I totally agree. I
2 think for two years in a row now we've seen November just
3 become a disaster.

4 But given that, if we're planning this far ahead,
5 then I would like to see the additional Committees try and
6 not hold meetings in October. So try and schedule all of
7 their meetings in August, September, not November, but try
8 and make that a little easier, so that by missing October,
9 we don't completely impact November.

10 It was a pretty tough month last time. And the
11 problem is not so much it is just a lot of business, but
12 the people at the end of the day get short shrift, because
13 people are out of time, they're out patience, and so
14 they're not paying as much attention to the
15 later-in-the-day issues as they are very early in the
16 beginning.

17 So if your Committee wasn't starting till 5:00
18 o'clock, most people checked out. And that's not really
19 fair to the staff that's prepared the items, not the Board
20 members to try and work through it. So I just want to be
21 more cognizant about not perhaps committees not scheduling
22 things that tight, so that we can be easier in November.

23 CHAIRPERSON TAYLOR: And I will add to that, I
24 think maybe we need to make sure that our staff is looking
25 at what they're presenting, as well, because as I recall,

1 Finance and Administration Committee had some pretty big
2 stuff in November that maybe could have been scheduled
3 either earlier or later.

4 So I think we all need to watch -- be mindful of
5 that, but secondarily, later in the schedule we're going
6 to talk about taking up some of these items to help
7 shorten our meetings, so maybe, if we discuss that and
8 adopt any of these, we may be able to help shorten our
9 meetings, and maybe even get to another month where we can
10 skip a meeting.

11 Mr. Jones.

12 COMMITTEE MEMBER JONES: Yeah. Thank you, Madam
13 Chair. Just the fact that I'm sure all the Committees as
14 the -- all the Committees are in a process where they
15 review the annual calendar. And so that's the up front
16 part that it can take place. And so we plan -- I know in
17 January, generally, the Investment -- we meet with staff
18 to plan the calendar for the whole year. So if all the
19 other committees do the same thing, and we can be a little
20 bit more focused with the Investment Committee, so that we
21 plan stuff, so those hot items, or the big items, as Mr.
22 Feckner said, don't wait until November.

23 CHAIRPERSON TAYLOR: Sounds like a great idea.

24 All right. So I'm going to -- since we sort of
25 took a vote, I'm going to say take a vote again.

1 All those in favor?

2 (Ayes.)

3 CHAIRPERSON TAYLOR: All those opposed?

4 All right. So we will adopt the calendar with
5 leaving out October.

6 We are going to move on to Item 6, Board
7 Education

8 GENERAL COUNSEL JACOBS: Yes. This is really,
9 Chair Taylor, an informational item. It perhaps could
10 have been on consent. It basically provides the
11 opportunity to -- for Board members to review their
12 attendance reports, the opportunity to add to them, if
13 there's -- there are things that have left -- been left
14 out. We will bring this back in March. I know the agenda
15 item says February. That was a misstatement. We'll bring
16 it back in March with the final reports.

17 So you do have an opportunity to supplement the
18 drafts. And it also -- this agenda item also lays out the
19 schedule for the educational program for 2018. So with
20 that, I'll take any questions.

21 CHAIRPERSON TAYLOR: Anybody have?

22 Seeing no questions.

23 Since this is an informational item, can you
24 please bring that back as a consent item?

25 GENERAL COUNSEL JACOBS: Yes.

1 CHAIRPERSON TAYLOR: Thank you.

2 So Item number 7. We are looking at follow up to
3 parliamentary training at the July 2017 offsite.

4 So, Matt, if you want to discuss -- discuss --
5 discuss --

6 (Laughter.)

7 CHAIRPERSON TAYLOR: -- discuss the items that we
8 want to go over, and then we can open a discussion about
9 it.

10 GENERAL COUNSEL JACOBS: Sure. The -- we went
11 through the -- I don't know if there was a transcript, but
12 we went through the video of the offsite that Mr.
13 Cuesta -- where Mr. Cuesta made the presentation, went
14 through his presentation, and looking for specific
15 procedural suggestions that he had made.

16 And this is, I think, the universe of the
17 procedural suggestions that he made. And so there's no
18 judgment here that any of these are good or bad for the
19 purposes of including them in this agenda item. It's
20 simply, there's the suggestions and what do we want to --
21 what do you want to do about them? Do you find merit in
22 them or not? Do you want to further study them or not?

23 And with that, Chair Taylor, I will turn it back
24 over to you for the discussion.

25 CHAIRPERSON TAYLOR: All right. So I have one

1 person so far that wants to stalk. But I want to turn
2 everybody's eyes to the first bullet, which is formal
3 adoption of a timed agenda at the beginning of each Board
4 or Committee meeting. Basically, the idea is for our
5 Board to agree, or a Committee to agree, to a rough time
6 allocation for all items to attempt to stick to the
7 schedule.

8 And this could also help the public estimate when
9 each particular agenda item would be considered. And I
10 know we have issues that come up with that.

11 So I'm just going to start with Dana. Go ahead.

12 COMMITTEE MEMBER HOLLINGER: This isn't really
13 related to it, but I did bring up, I thought that one of
14 the things we should do on our retreats is the Board needs
15 to engage in like a mock cybersecurity risk attack, how we
16 could act. I just think --

17 CHAIRPERSON TAYLOR: So you're adding an agenda
18 item after we just had a discussion about that.

19 (Laughter.)

20 COMMITTEE MEMBER HOLLINGER: No. Well -- no, I
21 brought this up before, because every time I go to a
22 conference, you know, the number one thing that -- in
23 terms of risk is cybersecurity. And I think one of the
24 things at the offsite that -- what we would do.

25 GENERAL COUNSEL JACOBS: I think one of the --

1 COMMITTEE member HOLLINGER: I just --

2 GENERAL COUNSEL JACOBS: One of the issues there
3 with that, Ms. Hollinger, is that I guess the division
4 between what are staff's responsibilities and duties in
5 the event of a cyber attack, and what are the Board's. At
6 fist blush, it would seem like most, if not all, of the
7 obligations in that regard are going to be on the team.
8 And that makes sense, because we're right in the middle of
9 it.

10 COMMITTEE MEMBER HOLLINGER: Right.

11 GENERAL COUNSEL JACOBS: So you're going to be
12 the recip -- hopefully, it will never happen, but we've
13 all been told that it's only a question of -- it's not a
14 question of if, but when.

15 COMMITTEE MEMBER HOLLINGER: Right.

16 GENERAL COUNSEL JACOBS: And so at that point,
17 you will be the recipients of information about it. But
18 I'm not sure that there's much to tabletop with respect to
19 the operational duties and responsibilities of Board
20 members.

21 CHAIRPERSON TAYLOR: Yeah. I'm not sure either.

22 COMMITTEE MEMBER HOLLINGER: Okay. I mean, maybe
23 not. Okay. Got it.

24 CHAIRPERSON TAYLOR: Okay. So Mr. Slaton.

25 COMMITTEE MEMBER SLATON: Thank you, Madam Chair.

1 Actually, not the specifics of what Ms. Hollinger was
2 talking about, but I just noticed that we used to in
3 Governance have a category that was the parking lot as one
4 of the agenda items, so that an item like what Dana just
5 brought up would actually have a forum for being added for
6 future consideration in Governance.

7 CHAIRPERSON TAYLOR: Yeah, we can have Matt add
8 that to the parking lot.

9 COMMITTEE MEMBER SLATON: And I don't see that on
10 this particular agenda.

11 CHAIRPERSON TAYLOR: Because we didn't have any
12 parking lot items right, but yeah, we can, definitely.

13 COMMITTEE MEMBER SLATON: But it's to allow
14 things like what just happened.

15 CHAIRPERSON TAYLOR: Sure.

16 COMMITTEE MEMBER SLATON: Moving on to this. You
17 know, most of these, I think, are probably pretty good
18 ideas, but they all deal with the ability of the Chair of
19 the particular committee, whether it's the President or
20 the Committee Chair, to manage the meeting. So this
21 really gets to meeting management.

22 And I think we're -- the prior discussion, we're
23 talking about October and the impact on November, and
24 staff maybe could do some compression of agenda items.
25 But again, it's the responsibility of the Chair when

1 working with staff to get the agenda prepared that the
2 presentations are done in a fashion that we can be
3 efficient in the conduct of our meeting.

4 That being said, I think a timed agenda is a good
5 idea to do. Again, it comes down to the enforcement by
6 the Chair that we're out of time on that. And so how
7 aggressive each Chair is in doing that may vary across
8 committees. But I think it's a good basis to start. It's
9 kind of like once we started with summary of Committee
10 direction, now it's normal. We're just kind of used to
11 it.

12 So I think once you do this, then you get into
13 the rhythm of it. So I would suggest, at least on the
14 first one, that that's a good idea, and it does sort of
15 input to the -- and we do that in Investment Committee. I
16 don't know about the others. I guess the chairs get a
17 timed estimate, but we don't make that public.

18 CHAIRPERSON TAYLOR: Yeah. No, it's not a public
19 timed agenda. Most committee meetings, board meetings do
20 have timed agenda, as you know, being on the SMUD board.
21 The only question I would ask of the Board to consider, as
22 we're talking about this, before I call on Ms. Mathur, is
23 if we do adopt this -- and this is informational, so I
24 have to have Matt bring it back with, you know, verbiage,
25 et cetera.

1 But if we do adopt a timed agenda, at some point,
2 we probably should enforce it, right? So that's when --
3 so that's all I'm going to say. At some point, we should
4 probably enforce it. It does make our meetings go
5 smoother, if we are thinking that it's a good idea.

6 COMMITTEE MEMBER SLATON: Yeah. There's an
7 aspect of doing that, where it's a timed agenda, and, you,
8 know, the Chair then -- it's the responsibility -- it's
9 not just the Chair. It's every Committee member is
10 responsible for that timed agenda.

11 So if you reach a situation where we've exhausted
12 the amount of time assigned to that, then the Chair can
13 make a decision, subject to review by the Committee,
14 whether to add 3 minutes, or 5 minutes, or something to
15 that particular item.

16 CHAIRPERSON TAYLOR: Or 10 minutes.

17 COMMITTEE MEMBER SLATON: And I think that's
18 again another way to add just a little more control to it,
19 to try to move things along.

20 CHAIRPERSON TAYLOR: So let's put a pin on that.
21 I'm going to call on Ms. Mathur.

22 And go ahead.

23 VICE CHAIRPERSON MATHUR: Well, I agree that it's
24 a good idea. I think there's some practical things we
25 need to consider, which is how would the Chair mark that

1 time has pass -- like that the time has elapsed. Would it
2 be -- would we use the timer that's here? And then for
3 each individual member who's speaking, how would the Chair
4 monitor that how much time has elapsed for each -- you
5 know once -- if we -- once we get to that one, which is I
6 guess the third one or something --

7 CHAIRPERSON TAYLOR: Right.

8 VICE CHAIRPERSON MATHUR: -- or the fourth -- you
9 know fourth one down.

10 So I think we need to think about that. It's one
11 thing to adopt it as a policy. It's a whole other one to
12 actually implement it. And that's -- and I think that's
13 essential to actually being effective in managing to this.
14 So I personally am in support of all of the item -- the
15 suggestions.

16 I think -- I think all of them are pretty good
17 ideas, but I do think, from the practical standpoint, we
18 need to make sure that we have the tools.

19 COMMITTEE MEMBER SLATON: Just one more idea
20 building on what you just said is, you know, you could
21 also just have the committees that want to start doing
22 this to try it, see how it works --

23 CHAIRPERSON TAYLOR: Before we officially adopt
24 it.

25 COMMITTEE MEMBER SLATON: -- before you go to

1 adopt it as a formal policy. Let the Chairs and the
2 committees work with it, and see if it adds value, and
3 starts to have the meetings move in a more fluid fashion.
4 That's one idea, rather than have it be a formal policy
5 that we're going to do.

6 Just a suggestion.

7 CHAIRPERSON TAYLOR: Okay. Mr. Jones.

8 COMMITTEE MEMBER JONES: Yes. I like this
9 information also, but it's from the practical point of
10 view. On the one where we talk about after hearing three
11 consecutive speakers express their support for or
12 opposition to a motion, then when someone else comes up,
13 if you're on that same side, you wouldn't be heard.

14 I have a little problem with that, because we all
15 express our views differently. I maybe trying to convince
16 one of my colleagues to change their mind. But if I don't
17 have an opportunity, even though I'm on the same side with
18 the three, I don't get an opportunity to express those
19 views to try to encourage my colleagues to go a different
20 way, if you will.

21 So I would -- if we do something like this, I
22 would just want to at least let people have one shot. I
23 don't have a problem of no second rounds, no third rounds,
24 but at least -- if they so request, to have at least one
25 round.

1 CHAIRPERSON TAYLOR: Okay. So let me -- I agree
2 with that, because I also think that we don't have a
3 support -- sometimes we talk about support or opposition
4 to things, but sometimes we're just getting information.
5 So I think that this particular bullet point, the adoption
6 of a procedure whereby the presiding officer, after
7 hearing three consecutive speakers express their support
8 or opposition, might be kind of a fish out of water.

9 Because when I think about like the Investment
10 Committee meeting today, I think we had a lot of
11 questions, not so many for or against anything.

12 COMMITTEE MEMBER JONES: Yeah, right. No, and
13 I'm talking about actual motions expressed, because
14 sometimes we do. Because, I mean, we have a right to
15 request information. I'm not talking about that.

16 CHAIRPERSON TAYLOR: Right.

17 COMMITTEE MEMBER JONES: I'm just talking about
18 the element -- the motions.

19 CHAIRPERSON TAYLOR: The motions. The actual
20 motion --

21 COMMITTEE MEMBER JONES: Yeah, right.

22 CHAIRPERSON TAYLOR: -- and get three in support,
23 and three in --

24 COMMITTEE MEMBER JONES: Yeah.

25 CHAIRPERSON TAYLOR: And that is a standard for

1 any -- most meetings, three in support, three -- and then
2 call the question. So, yeah.

3 So I want to know, how does everybody feel about
4 Matt bringing in formal language, so that we adopt these
5 as policy, and using all of these? Is that something that
6 everybody would be willing to do to take a look at it? It
7 doesn't mean we are absolutely bound to adopting them.

8 I'm not seeing any head nods here.

9 CHAIRPERSON TAYLOR: Priya, first.

10 VICE CHAIRPERSON MATHUR: Yeah. I'm comfortable
11 with that, assuming that there's sufficient support. I
12 would hate to have Matt and his team spend too much time
13 developing something that there's not much support for,
14 but I would be -- I would support that. I would also like
15 there to be a little bit -- when it comes to us, have a
16 little bit more on how each would be effectuated by the
17 Chair --

18 CHAIRPERSON TAYLOR: Right.

19 VICE CHAIRPERSON MATHUR: -- because -- and some
20 might be obvious, but I think that would helpful, some
21 kind of --

22 CHAIRPERSON TAYLOR: And possibly a training?

23 VICE CHAIRPERSON MATHUR: -- cheat sheet or
24 some -- I don't know what it would be, but some
25 methodology for doing it.

1 CHAIRPERSON TAYLOR: Okay. And maybe a training?
2 Maybe that parliamentarian come in and help the chairs.

3 Yeah, I don't know.

4 GENERAL COUNSEL JACOBS: Or perhaps a different
5 parliamentarian.

6 VICE CHAIRPERSON MATHUR: Or perhaps and
7 different parliamentarian.

8 CHAIRPERSON TAYLOR: Well, definitely, I know a
9 different parliamentarian who would be much better.

10 So Mr. Slaton.

11 Oops. Hold on.

12 COMMITTEE MEMBER SLATON: Yeah, I think, bullets
13 1, 2, and 5 are ones that are really not very
14 controversial. And so those -- I think my guess is that
15 this group would probably be comfortable with those three.

16 The other two are a little more -- get into the
17 weeds. So maybe we can just start with a little crawl by
18 looking at 1, 2, and 5.

19 CHAIRPERSON TAYLOR: So are you suggesting we
20 look at 1, 2, and 5 --

21 COMMITTEE MEMBER SLATON: Yeah, 1, 2, and 5
22 first.

23 CHAIRPERSON TAYLOR: -- then have these be --
24 table them at our parking lot to be brought up at a later
25 date?

1 COMMITTEE MEMBER SLATON: That's what I would
2 suggest.

3 CHAIRPERSON TAYLOR: Okay. Does everybody agree
4 with that?

5 I'm seeing head nods on that one.

6 So can you do that, Matt?

7 GENERAL COUNSEL JACOBS: Yes.

8 CHAIRPERSON TAYLOR: Okay. All right. Any more
9 discussion on that?

10 It looks like we're down to Summary of Committee
11 Direction.

12 GENERAL COUNSEL JACOBS: Okay. Well, one, I
13 don't really know if this qualifies as Committee
14 direction. But when we bring back the March item on the
15 educational program, that will be a consent item. And
16 then what the Chair just stated, which is we're going to
17 bring back as formal -- some formal language on bullet
18 points 1, 2, and 5 for potential inclusion in the
19 governance -- the Board Governance Policy at our next
20 meeting, and table items 3 and 4.

21 I also believe that we're going to add back the
22 parking lot feature to the agenda.

23 CHAIRPERSON TAYLOR: Right. And I think we
24 had -- what did we have on the parking lot?

25 Hold on.

1 Ms. Mathur.

2 VICE CHAIRPERSON MATHUR: I had --

3 CHAIRPERSON TAYLOR: Hold on. Try again. I
4 don't know what happened.

5 VICE CHAIRPERSON MATHUR: No, I think I'm on.

6 CHAIRPERSON TAYLOR: Are you?

7 VICE CHAIRPERSON MATHUR: Yeah.

8 CHAIRPERSON TAYLOR: Oh. You're name
9 disappeared.

10 VICE CHAIRPERSON MATHUR: I just wanted to raised
11 something that actually Dana raised with me earlier, and
12 that is our sexual harassment policy -- that the
13 organization has a sexual harassment policy, but the Board
14 doesn't specifically, as part of its Governance Policy,
15 have a Sexual Harassment Policy, and that perhaps we ought
16 to ensure that that is --

17 CHAIRPERSON TAYLOR: In place.

18 VICE CHAIRPERSON MATHUR: -- specifically a Board
19 policy as well for Board members and what we might do in
20 that event.

21 CHAIRPERSON TAYLOR: So, yeah, if we could --

22 GENERAL COUNSEL JACOBS: So you're thinking of
23 the inclusion of the CalPERS Sexual Harassment Policy into
24 the Board Governance Policy is made applicable to Board
25 members.

1 CHAIRPERSON TAYLOR: Yes.

2 VICE CHAIRPERSON MATHUR: Yes. I mean, it
3 already is applicable to Board members.

4 GENERAL COUNSEL JACOBS: Right.

5 VICE CHAIRPERSON MATHUR: But somehow ensuring
6 that this is -- that the Board has also adopted this
7 specifically for the Board's own behavior. So there's
8 some -- there's a section - I don't have it in front of
9 me - that lists how the Board members will behave. And
10 maybe there could be a line about sexual harassment that
11 references the CalPERS Sexual --

12 CHAIRPERSON TAYLOR: And retaliation.

13 VICE CHAIRPERSON MATHUR: -- and retaliation and
14 all the -- and something that references the policy.

15 CHAIRPERSON TAYLOR: Because we all have to take
16 the training.

17 VICE CHAIRPERSON MATHUR: Yeah. Of course, we
18 are all subject to the same rules, but --

19 GENERAL COUNSEL JACOBS: Sure, yeah.

20 VICE CHAIRPERSON MATHUR: -- just reinforcing
21 that that is something that we expect of ourselves --

22 GENERAL COUNSEL JACOBS: Right.

23 VICE CHAIRPERSON MATHUR: -- as good behavior in
24 that arena.

25 GENERAL COUNSEL JACOBS: It makes sense.

1 CHAIRPERSON TAYLOR: Dana.

2 COMMITTEE MEMBER HOLLINGER: Yeah. At ICGN, you
3 know, we brought up -- because, you know, you look at
4 Weinstein & Company, and a lot of that, I think that we
5 need to have something in place. But I think we'll start
6 to see a trend of this in light of some of the things that
7 are going on in corporate America. And I didn't -- I
8 honestly didn't know if we actually had something or not.

9 CHAIRPERSON TAYLOR: So can -- so basically the
10 Board -- the Committee is asking Matt to just add a line
11 to our policy that states the Board recognizes that
12 whatever our policy says.

13 GENERAL COUNSEL JACOBS: Right. Some language --

14 CHAIRPERSON TAYLOR: Yeah.

15 GENERAL COUNSEL JACOBS: -- inserted into --

16 CHAIRPERSON TAYLOR: Is subject to --

17 GENERAL COUNSEL JACOBS: -- one of the policies
18 that makes it explicit, that the Board is adopting the
19 same standards that really already apply to it, but making
20 it explicit that we expect our behavior to be governed by
21 these standards. Something along those lines --

22 CHAIRPERSON TAYLOR: Yeah.

23 GENERAL COUNSEL JACOBS: -- that could be brought
24 back at the same time that we bring back --

25 CHAIRPERSON TAYLOR: These three.

1 GENERAL COUNSEL JACOBS: -- the 1, 2, and 5.

2 That's fine.

3 CHAIRPERSON TAYLOR: Okay

4 GENERAL COUNSEL JACOBS: Sure.

5 CHAIRPERSON TAYLOR: And, Mr. Slaton, what was
6 your parking lot item that you wanted to put in the
7 parking lot, because now I. --

8 COMMITTEE MEMBER SLATON: No, I didn't.

9 VICE CHAIRPERSON MATHUR: Three and four.

10 CHAIRPERSON TAYLOR: Just 3 and 4.

11 COMMITTEE MEMBER SLATON: Just 3 and 4.

12 CHAIRPERSON TAYLOR: But you have another item.

13 COMMITTEE MEMBER SLATON: No, it was Dana's.

14 Putting it into the agenda, so that there's an opportunity
15 to do this --

16 CHAIRPERSON TAYLOR: Okay.

17 COMMITTEE MEMBER SLATON: -- when we come up with
18 new things.

19 GENERAL COUNSEL JACOBS: Got it.

20 CHAIRPERSON TAYLOR: All right. You got that?

21 GENERAL COUNSEL JACOBS: I do.

22 CHAIRPERSON TAYLOR: All right. And do we have
23 any wish for public comment on this?

24 If not, this meeting is adjourned.

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(Thereupon California Public Employees'
Retirement System, Board Governance Committee
meeting adjourned at 3:56 p.m.)

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1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing California Public Employees' Retirement System,
6 Board of Administration, Board Governance Committee
7 meeting was reported in shorthand by me, James F. Peters,
8 a Certified Shorthand Reporter of the State of California,
9 and was thereafter transcribed, under my direction, by
10 computer-assisted transcription;

11 I further certify that I am not of counsel or
12 attorney for any of the parties to said meeting nor in any
13 way interested in the outcome of said meeting.

14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 19th day of December, 2017.

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22 JAMES F. PETERS, CSR
23 Certified Shorthand Reporter
24 License No. 10063
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